IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

Blatchford Products, Ltd., et al.,	)
	)
Plaintiffs,	) Case No. 1:14-CV-529
	)
vs.	)
	)
Freedom Innovations, LLC,	)
	)
Defendant.	)

O R D E R

This matter is before the Court on Defendant Freedom Innovations, LLC's motion to stay pending *inter partes* review (Doc. No. 20) and motion to amend claim construction briefing schedule (Doc. No. 44). For the reasons that follow, Defendant's motion to stay is well-taken and is **GRANTED**; Defendant's motion to amend the claim construction briefing schedule (Doc. No. 44) is **MOOT**; Plaintiffs' motion to file a sur-reply brief (Doc. No. 47) is well-taken and is **GRANTED.**

In June 2014, Plaintiffs Blatchford Products, Ltd, and Blatchford, Inc. (collectively "Blatchford") filed suit against Defendant Freedom Innovations, LLC ("Freedom Innovations") alleging that Freedom Innovations has infringed two of its patents. Specifically, Blatchford alleges that Freedom Innovations' Kinterra prosthetic foot infringes U.S. Patent 8,574,312 ("the '312 Patent") and U.S. Patent 8,740,991 ("the '991 Patent"). Both patents are entitled "Prosthetic Ankle Joint Prosthetic" and are directed toward providing a prosthetic device that "provide[s] a more realistic and natural gait for the amputee during ambulation as they walk through the [walking] cycle." Doc. No. 36 (Patent Demonstration Transcript) at 10. The '991 Patent is a continuation of the '312 Patent and they share the same specification and drawings. The ‘312 Patent has two independent claims (1 and 16) and 20 dependent claims; the ‘991 Patent has three independent claims (1, 8, and 9) and six dependent claims. Blatchford asserts claims 1-8, 15-17, and 20-22 of the ‘312 Patent and claims 1-2 and 4-9 of the ‘991 Patent against Freedom Innovations. See Doc. No. 29 (Blatchford's Preliminary Infringement Contentions).

In February 2015, Freedom Innovations filed applications with the Patent & Trademark Office ("PTO") for *inter partes* review of both patents-in-suit. Freedom Innovations alleged that each claim of both patents was obvious or anticipated by a number of prior art references. At the same time, Freedom Innovations moved the Court to stay this infringement suit pending the outcome of its *inter partes* applications. The Court, however, deferred ruling on the motion to stay until such time as the PTO actually decided to review one or both patents.

On July 31, 2015, the Patent Trial and Appeal Board ("PTAB") issued decisions granting Freedom Innovations' applications for *inter partes* review of both patents. With respect to the ‘312 Patent, the PTAB concluded that Freedom Innovations had demonstrated a reasonable likelihood that claims 1, 3-7, and 20-22 are obvious over Christensen, that claims 2, 8, 16-19 are obvious over Christensen and Hellberg, and that claims 9-15 are obvious over Christensen and Mortensen. Doc. No. 41-1, at 24-28. In a decision order, the PTAB concluded that Freedom Innovations had demonstrated a reasonable likelihood that claims 1 and 7 are anticipated by Koniuk, that claim 8 is obvious over Koniuk and Hellberg, and that claims 16-22 are obvious over Koniuk and Christensen. Doc. No. 41-1, at 54-55. Consequently, the PTAB granted *inter partes* review of each claim of the ‘312 Patent. In a third decision, the PTAB ruled that Freedom Innovations had demonstrated a reasonable likelihood that claim 8 of the ‘991 Patent is obvious over Gramnas and Mortensen. Doc. No. 41-1, at 85. Consequently, the PTAB granted *inter partes* review of claim 8 of the ‘991 Patent. The PTAB denied *inter partes* review of the remaining claims of the ‘991 Patent.

Freedom Innovations filed a notice of the PTAB’s decisions (Doc. No. 41) along with additional argument as to why the Court should now stay the entire case. Blatchford responded to Freedom Innovations’ notice (Doc. No. 42) and Freedom Innovations replied (Doc. No. 46).

Blatchford now concedes that staying its infringement case as to the ‘312 Patent would be appropriate given the PTAB’s decision to review each claim of the patent. Doc. No. 42-1, at 8. Blatchford contends, however, that since the PTAB granted review of only one claim of the ‘991 Patent, its infringement suit should proceed as to that patent. Blatchford argues that the PTAB’s limited review of the ‘991 Patent weighs substantially in favor of going forward. Additionally, despite the fact that the two patents share a common specification, Blatchford contends that the results of the *inter partes* review of the ‘312 Patent are not likely to be of any assistance in resolving claims and defenses related to the ‘991 Patent because even though the two patents have common terms, they are different in scope. Blatchford also argues that the *inter partes* proceedings will not help this Court with claim construction, even though the two patents have common terms, because the PTAB specifically declined to address any issues of claim construction in its decisions.

Freedom Innovations replies, however, that it would be wasteful for the Court to “split the baby” by staying one half of the case and proceeding on the other half of the case. Freedom Innovations has provided a chart of the similarities between the claims of the two patents and observes that Blatchford has not explained how the patents-in-suits are different in scope. Additionally, Freedom Innovations points out that since the ‘991 Patent is a continuation of the ‘312 Patent, the ‘991 Patent cannot claim materially different subject matter. Finally, Freedom Innovations points out that *inter partes* review of a parent application may clarify common claim terms in the continuation patent.

The decision to stay the case pending completion of an *inter partes* review of the patent-in-suit is committed to the sound discretion of the district court. Proctor & Gamble Co. v. Kraft Foods Global, Inc., 549 F.3d 842, 845 (Fed. Cir. 2008); Ethicon, Inc. v. Quigg, 849 F.2d 1422, 1426-27 (Fed. Cir. 1988). Courts typically consider the following factors in deciding whether to stay an infringement action pending PTO review of the patent-in-suit: (1) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether discovery is complete and whether a trial date has been set. Equipements de Transformation IMAC v. Anheuser-Busch Co., Inc., 559 F. Supp.2d 809, 815 (E.D. Mich. 2008). In this case, these factors weigh strongly in favor of staying Blatchford's infringement action on the ‘991 Patent pending completion of *inter partes* review of both patents-in-suit.

First, Blatchford will not be unduly prejudiced by a stay. Although Blatchford and Freedom Innovations are competitors in the prosthetic foot marketplace, Blatchford has not moved for a preliminary injunction to halt Freedom Innovation's alleged infringement of its patents. This factor weighs in favor of finding that Blatchford will not be unduly prejudiced by a stay. See VirtualAgility, Inc. v. Salesforce.com, Inc., 759 F.3d 1307, 1319 (Fed. Cir. 2014). Moreover, as Freedom Innovations points out, Blatchford has asserted both patents against the same accused device but concedes that a stay as to the ‘312 Patent would be appropriate. This concession weighs in favor of granting a stay as to the ‘991 Patent as well because, as Freedom Innovations points out, it is hard to conclude that Blatchford would be harmed by a stay of its ‘991 claims if it is not harmed by a stay of its ‘312 claims.

Second, a stay will simplify the issues presented with regard to the ‘991 Patent. As Freedom Innovations highlights in its reply brief, the ‘312 Patent and the ‘991 Patent contain numerous common or similar claim terms. As a general rule, where a parent application and a continuation application share the same or similar terms, the claims should be given the same construction in both patents. Capital Mach. Co., Inc. v. Miller Veneers, Inc., 524 Fed. Appx. 644, 647 (Fed. Cir. 2013)(“When construing claim[s] in patents that derive from the same parent application and share common terms, we must interpret the claims consistently across all asserted patents.”)(internal quotation marks omitted). Since the ‘312 Patent and the ‘991 Patent are related, the PTAB’s determination of the meaning and scope of the claims of the ‘312 Patent will undoubtedly provide useful guidance on the meaning and scope of the claims of the ‘991 Patent, and, therefore, on the issues of infringement and invalidity. See Key Pharm. v. Hercon Lab. Corp., 161 F.3d 709, 714 (Fed. Cir. 1999)(stating that determining anticipation and obviousness requires construing the claims and then comparing the construed claims to the prior art); Rockwell Int’l Corp. v. United States, 147 F.3d 1358, 1362 (Fed. Cir. 1998)(“The first step in any invalidity or infringement analysis is claim construction.”). The Court notes also that Freedom Innovations asserted Christensen against the ‘312 Patent in the *inter partes* proceedings and that it asserts Christensen against the ‘991 Patent here. Thus, if the PTAB determines that some claims in the ‘312 Patent are invalid in light of Christensen it is reasonably likely that similar terms in the ‘991 Patent will be invalid as well. Accordingly, the Court concludes that the entire *inter partes* review process will simplify the issues presented in this case for both the Court and the parties.

Third, the stage of the litigation of this case weighs heavily in favor of granting a stay. Although Blatchford filed its original complaint in June 2014, there was initial skirmishing between the parties over the proper forum in which to litigate their dispute. That issue was not resolved until October 2014. Freedom Innovations filed its applications for *inter partes* review and its motion to stay the case in early February 2015, before the Court had even entered a scheduling order in the case. In other words, at the time Freedom Innovations filed its motion to stay (the appropriate time to assess this factor), little or no substantive headway had been made in this case. Thus, this factor supports staying the case as to the ‘991 Patent as well.

Fourth, in its sur-reply brief, and during a telephone conference the Court held with the parties on the issue of a stay, Blatchford clarified that what it is proposing is to dismiss its ‘312 Patent claims with prejudice and proceed only as to the ‘991 Patent in lieu of a stay of the entire case. While this proposition has some initial appeal, further discussion with the parties indicates that this idea is more likely to complicate the case than simplify it as issues arise concerning the effect the dismissal of the ‘312 claims has on the ‘991 claims, particularly concerning the relevancy and admissibility of evidence. For instance, if the Court dismisses the ‘312 claims, the parties already disagree as to whether Freedom Innovations’ knowledge of the ‘312 Patent has any relevance on the issue of willful infringement of the ‘991 Patent. These kinds of issues will be avoided, or at least minimized, by dealing with the two patents together. The Court, therefore, declines to accept Blatchford's compromise solution.

In summary, the Court's analysis of the relevant factors finds that staying this case as to both patents-in-suit pending completion of the *inter partes* review of both patents is warranted. Weighing heavily in this conclusion are the stage of the litigation, the absence of undue prejudice to Blatchford, and an anticipated simplification of issues. With regard to the last consideration, the fact that the patents-in-suit are from the same family and share numerous common or similar terms outweighs the fact that the PTAB is not reviewing all of the claims of the '991 Patent. Accordingly, in the exercise of its discretion this Court will grant Freedom Innovations' motion to stay all proceedings in this case pending the completion of the *inter partes* review before the PTAB. The parties are directed to advise the Court promptly when the PTAB issues its decision in the *inter partes* review proceeding.

IT IS SO ORDERED

Date September 29, 2015

s/Sandra S. Beckwith
Sandra S. Beckwith
Senior United States District Judge